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Edlund, Jonas; Lindh, Arvid

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Social Cohesion and Political Conflict in 20 Welfare States

The Democratic Class Struggle Revisited

*Jonas Edlund and Arvid Lindh*¹

Introduction

In sociology, social class has traditionally been the most important factor for explaining and understanding societal conflicts and developments. And, for a long time, the established central role of social class in theory was not an issue in mainstream sociological debate. However, reviewing the literature over the last decades, it is apparent that the rhetoric and debate about social class radically changed in the 1990s. In this wave of “new thinking”, class-critical arguments were raised, basically questioning whether social class is a relevant concept for understanding social stratification, conflict, and current developments in contemporary Western democracies. Identities and interests, it was argued, are reflexively self-composed rather than rooted in structural conditions (Pakulski and Waters 1996). In particular, the diminishing link between class belonging and political preferences was stressed. “[C]lasses have declining politically relevant effects” as Clark and Lipset (2001, 79) wrote in a rather modest passage in their book: *The Breakdown of Class Politics*. Commenting on this class-critical movement in general, Grusky and Sørensen (1998, 1188) wrote: “This development constitutes a striking repudiation of our disciplinary heritage; in fact, it was not so long ago that commentators as mainstream as Stinchcombe (...) could allege, without generating much in the way of controversy, that social class was the one and only independent variable of sociological interest.”²

The role of class in contemporary Western society has remained a major source of controversy in sociology. In this chapter, we will explore how class conflicts are manifested in Western advanced welfare states. While most would agree, even the critics, that class is an important factor for understanding the historical emergence of the welfare state – as well as for explaining historical between-country variation in welfare policy design – there is,

1 This chapter is a revised version of: Edlund, J. and Lindh, A., (2015). The democratic class struggle revisited: The welfare state, social cohesion and political conflict. *Acta Sociologica*, 58(4): 311-328.

2 Apparently, Stinchcombe made this statement – in a sarcastic and provocative manner regarding the pivotal role of class in sociology – at Berkeley in 1973 (Clark and Lipset 2001, 33).

as hinted above, considerably less agreement concerning the relevance of class in contemporary Western society. The critics argue that class is becoming less important, if not negligible, for understanding contemporary patterns of social stratification, politics, and conflict in the Western countries, often citing the redistributive function of the welfare state and increased material welfare as important causal factors. Other schools of thought, however, still defend the application of class for making sense of observed patterns of social tension and political cleavage. This chapter attempts to resolve some of these disagreements.

An analytical distinction is made between *social* and *political* manifestations of class conflict. The concept of *social* conflict refers to tensions and antagonism between social categories located at different levels in the socio-economic hierarchy outside parliamentary politics, for example, class conflicts played out primarily at the site of production or more or less violently in the streets. The concept of *political* conflict refers to class struggles that are mainly institutionalized within parliamentary politics and resolved in a “peaceful” way through the implementation of redistributive welfare state policies.

The theory outlined in *The Democratic Class Struggle* (Korpi 1983) serves as the analytical starting point. The theory argues that in modern welfare states, institutionalized *political* conflict tends to replace less institutionalized and unorganized *social* conflict. This is hypothesized to be more the case in encompassing welfare states, e.g., the Scandinavian welfare states, than in residual welfare states, e.g., the USA and Great Britain.

While this theoretical construct emphasizes the role of class for understanding patterns of conflict in Western societies, there is a significant number of scholars that takes a radically different view on the role of class. The main argument, as stated above, is that class may be important, but only as a purely historical phenomenon. For understanding contemporary social stratification and its implications, class is an irrelevant concept, or as Pahl (1996, 89) suggests: the concept of class is “ceasing to do any useful work for sociology” in a paper titled: *Is the Emperor Naked?* In the next section, we will provide a review of these class-critical arguments. This is followed by a section where we will develop the arguments about the continuing relevance of class in Western societies. The section ends with a number of testable hypotheses. Thereafter, data and measurements are described. Then follows the empirical section. The concluding section restates the main findings and discusses their implications.

The Historical Significance of Class and the “Death of Class” Thesis

There may be multiple causes behind social unrest and political antagonism between social groups in society. However, some factors seem to be more central than others. From a historical perspective, class relations and inequalities have proven to be a recurring source of distributive struggles. The welfare state was the main social invention constructed in Western countries with the specific aim of dampening social unrest caused by class inequalities encapsulated within a market capitalist economy (Marshall and Bottomore 1992; Korpi 1983). However, reasons behind the implementation of welfare policies differed across

countries, and empirical studies demonstrate that the effects of these policies on social stratification and inequality were, and are, quite different (Korpi and Palme 2003).

The power resources approach suggests that broad layers of the population have good reasons to prefer to locate societal bargaining in parliamentary politics rather than stay within a market relationship (Korpi 1983). This is because the political principle of “one person – one vote” does not have a counterpart when it comes to market relations. Furthermore, within a democratic setting, it is argued that those in weak bargaining positions in the labor market favor redistribution of income by means of state-organized policy, while those with more market-derived resources are supposed to prefer a larger role for the market-property nexus in distributive processes (Korpi 2006, 172-75).

When explaining the observed cross-country differences in the institutional setup of the welfare state, the power resources approach suggests that the key explanatory factors of the emergence and outcomes of the welfare state are the strategies and actions undertaken by organized labor in power struggles vis-à-vis capital, both in the spheres of production and in parliamentary politics. From a country-comparative perspective, the size and redistributive capacity of the welfare state vary positively with the strength of working-class organization. In short, in those countries where working-class mobilization was most successful – i.e., in Scandinavia – we find the most comprehensive welfare states, scoring comparatively higher on both social protection and redistributive capacity (Korpi and Palme 1998, 2003; Huber and Stephens 2001).

Few would thus deny the prominent historical role of class mobilization in forming the modern welfare state. However, the arguments playing down the role of social class in contemporary societies when it comes to politics of redistribution are numerous and stem from different disciplines. And, quite ironically from a theoretical perspective, most of these arguments pertain in particular to the most comprehensive and redistributive welfare states – the Scandinavian ones.

A shared intellectual property of these arguments is the following claim: In Western countries, class-based political representations and associated demands for reform are in a steady, or even accelerating, decline (Clark and Lipset 2001; Pakulski and Waters 1996; Inglehart 1997; Pierson 1996). The arguments for the diminishing relevance of class-based political conflict in contemporary welfare states emphasize different factors, but common themes are the following: the role of the welfare state and its redistributive effects on market-generated inequality; compositional changes in the labor market, for example, a shrinking segment of working-class occupations; increased heterogeneity in the social structure: class is complemented or superseded by new political cleavages; and rising levels of material welfare and economic affluence.

The central components seem to be, at least in our view, the redistributive capacity of the welfare state for reducing market-generated inequalities and a historically rising level of economic affluence/development. The equalization of living conditions between social groups and the overall increase in levels of material welfare, the argument goes, reduce the likelihood that demands for additional redistributive policies will enter the political agenda; citizens, interest organizations, and political parties are more likely to stress other types of political issues. This suggests that in contemporary Western countries, where class inequalities have progressively decreased – largely due to the success of the modern wel-

fare state – class becomes a non-significant force in shaping social identities and political actions.

This family of arguments – suggesting that class should be largely irrelevant for understanding political conflicts in contemporary societies – is hereafter referred to as the *death of class thesis* (DCT), inspired by an attention-grabbing and provocative book title on the subject (Pakulski and Waters 1996). Applying the DCT in a cross-national Western world perspective, it is suggested that in countries where material inequality between classes is relatively low, the likelihood that class-related political conflicts will occur is much smaller than in countries characterized by pronounced material inequality. Thus, it appears that this prediction should be most valid in the Scandinavian countries, due to their combination of a universal comprehensive welfare state and a comparatively equal income distribution, and least valid in Anglo-Saxon countries, such as the USA and Great Britain, where we find a substantially less ambitious type of welfare state and comparatively high levels of income inequality.

Arguments for the Continued Relevance of Class: A Country-comparative Perspective

This section outlines a theoretical framework that deviates strongly from the DCT perspective. In short, we argue for the continuing relevance of class for understanding social divisions and conflict in contemporary Western political economies. However, we suggest that the particular character of class conflict is heavily influenced by the national socio-economic context, in particular the institutional set-up of the welfare state and the associated level of material inequality.

Two principal types of class-based conflict are distinguished: one referring to political cleavages between classes, that is, *political* conflict or “class politics,” and the other referring to conflicts outside the domain of parliamentary politics, such as social tensions of more or less brutal character between classes, manifesting, for example, as physical and/or psychological antagonism in the streets, or strikes and lockouts on the labor market. This type of conflict will hereafter be referred to as *social* conflict. In the following, we will provide arguments for why these kinds of class cleavages are likely to be of continued relevance for understanding (between-country variation in) modern welfare states.

The Welfare State and Social Conflict

The institutional configuration of the welfare state has a strong impact on the level of material inequality in a society. The larger the welfare state (i.e., comprehensive social insurance programs and social services provided as citizenship rights), the smaller the material differences across social groups. Thus, while the fundamental class structure is similar across countries, the degree of economic inequality across positions within the class hierarchy differs significantly between countries depending on their politico-institutional characteristics (Korpi and Palme 1998; le Grand and Tählin 2013). Such institutional

effects are likely to have consequences for the lived experiences of ordinary citizens. As argued by Rothstein and Uslaner (2005, 46): “The rich and the poor in a country with a highly unequal distribution of wealth ... may live next to each other, but their lives do not intersect. ... In such societies, neither the rich nor the poor have any sense of a shared fate. ... In turn, each group looks out for its own interests and is likely to see the demands of the other as conflicting with its own well-being. Society is seen as a zero-sum game between conflicting groups. ... Government policies have a large impact on economic equality. Universal social programs that cater to the whole (or very broad sections) of society, such as we find in Scandinavian countries, promote a more equitable distribution of wealth and more equality of opportunity in areas such as education and the labor market. Both types of equality lead to a greater sense of social solidarity.”

Such proclaimed institutional effects on social cohesion have been the basis for suggestions that citizens in societies with greater equality tend to have greater trust in their fellow citizens (Rothstein and Uslaner 2005; Larsen 2013) and higher well-being (Wilkinson and Pickett 2010) compared to citizens living in relatively unequal societies. However, when it comes to research explicitly studying social conflict from a citizen perspective, empirical evidence is scarce. A couple of papers by Kelley and Evans (1995; 1999) indicate that citizens’ perceptions of the existence of class-based social conflict in society were most common in the United States, followed by other Anglo-Saxon countries, and least common in the European countries.

The Welfare State and Political Conflict

When it comes to the measurement of “class politics” from a citizen perspective, we find two common strategies in the existing literature. The first is to examine the relationships between class position and political party choice: class voting (e.g., Evans 1999). The second strategy is to focus on specific social policy issues, and on the extent to which support for these policies differs across classes (e.g., Svallfors 1999). In this chapter we have chosen the second strategy, with an explicit focus on welfare state *income redistribution*.

We see two benefits of applying this strategy. First, for both DCT proponents and their critics, the issue of income redistribution is a critical marker of class-relevant politics. On the one hand, DCT proponents maintain that the equalizing effects on economic conditions and opportunities caused by welfare state redistribution have already “succeeded in alleviating those problems it can most readily solve” (Inglehart 1990, 9). On the other hand, those arguing for the continued relevance of class stress that contemporary class conflicts are, to the extent that they are realized in action, “most often pursued on the terrain of the welfare state” (Svallfors 1999, 208).

Second, the strength of the class-vote link is not only dependent on the political orientations of voters in different classes, but also on the strategies of political parties: “If parties fail to present manifestos which appeal to the interests of different classes, then there is no reason for there to be a strong class-vote link” (Evans 1993, 451-52). Since we want

to focus on citizens rather than political parties or other organizations, relying on analyses of class voting would be suboptimal.³

In short, we suggest that the welfare state arrangements and the institutionalized power struggle they encapsulate are likely to consolidate – rather than dissolve – the *political* conflict patterns that were decisive during the formative years of the welfare state. Moreover, we argue that, as part of this institutionalization process, citizens are socialized into expecting/preferring that issues related to class inequality should be negotiated and calibrated mainly via redistributive welfare policy. Why?

First, in more encompassing welfare states, the systems of taxation, social spending, and redistribution involve a comparatively larger proportion of the citizenry – and their resources – than in relatively residual welfare states. Thus, the size of the welfare state not only determines its redistributive capacity, but also the extent of its influence on citizens' everyday lives: citizens in more encompassing welfare states pay a larger share of their income in taxes and their livelihood is also more dependent on services provided by the welfare state (Edlund 2007). For these reasons, citizens in encompassing welfare states are likely to develop a stronger sense of “ownership” of the state and perceive stronger incentives for being politically involved than citizens in meager welfare states (Persson and Rothstein 2015).

Second, welfare policy arrangements can be conceptualized as institutionalized compromises/conflicts between different social groups or collective actors (Korpi 2001). Once a particular institution has been created, the central political actors involved in the process – defined here in a broad sense – can be characterized as institutional translators. These institutional translators are important for underpinning collective memories and world-views among citizens (Rothstein 2000). Whether class has political meaning for citizens is thus likely to depend on whether or not institutional translators are rooted in class organizations. Rather than de-emphasizing the salience of class, an encompassing and redistributive welfare state where class-based organizations have been and continue to be substantial serves to maintain political conflict patterns structured around the class axis (Edlund 2007). Since countries with a strong historical track record of class organization and class politics typically also have the most ambitious welfare states today, we anticipate that political class conflicts are greater in encompassing welfare states than in less interventionist welfare states. Previous research points in this direction: studies on the class-preference link find that class differences in redistributive preferences are comparatively lower in the Anglo-Saxon countries than in the Scandinavian countries (Bechert and Edlund 2015; Edlund 2007; Svallfors 2006).

3 For empirical studies on the changing political rhetoric exercised by parties and its consequences for the observed class-vote link, see Jansen, Evans and de Graaf 2013; Evans and Tilley 2012; Korpi 1993.

Hypotheses

To summarize, we argue that although redistributive welfare policies may decrease class-based *social* conflict this does not necessarily mean that class-based *political* conflict will diminish, as suggested by DCT proponents. Instead, as suggested by Walter Korpi (1983) in *The Democratic Class Struggle*, we argue that the modern welfare state transforms the character of class conflict. Rather than being played out at the site of production or taking the form of unorganized social unrest, class conflicts get institutionalized within parliamentary politics and resolved in a “peaceful” way through various redistributive and equalizing state policies. Hence, in modern welfare states, institutionalized *political* conflict “replaces” less organized *social* conflict – and more so in large encompassing welfare states than in small residual welfare states. The following hypotheses summarize the expected associations:

The larger the welfare state (H_a) and the lower the level of material inequality (H_b)...

(H_1) ... the lower the aggregate level of perceived tension between different groups within the class hierarchy – social conflict.

(H_2) ... the higher the level of class differences in preferences for redistribution – political conflict.

(H_3) There is a trade-off at the country level: the weaker the political conflict, the stronger the social conflict, and vice versa.

Data

The study uses data from the *Social Inequality* modules fielded in 1999 and 2009 by the *International Social Survey Programme (ISSP)*. The working sample consists of respondents in 20 relatively affluent countries with “mature” welfare state arrangements. For the following countries, data are available for both years: Australia, Austria, Denmark, France, Germany, Great Britain, New Zealand, Norway, Portugal, Spain, Sweden, and the United States. Data from a single survey are available for Belgium, Finland, Italy, Japan, and Switzerland (2009), and Canada, Ireland, and the Netherlands (1999). As some countries lack information on class position for those outside the labor market, the working sample is limited to respondents currently active in the labor market (23,314 respondents).

Measurements

Class Position

Classes can be understood as aggregations of positions in production units and labor markets. Individuals are sorted into class categories on the basis of occupation (ISCO88) and employment status (employee/self-employed), using the well-known EGP class schema (Erikson and Goldthorpe 1992). The EGP is a weak class idiom. The approach does not

incorporate notions of consciousness, action, and group belonging as conceptual building blocks. According to this perspective, whether identities and interests are structured along the axis of class or by other structural locations, and whether these interests are transformed into political mobilization, should mainly be treated as empirical questions (Goldthorpe and Marshall 1996, 101f.). Following the routine of previous research on the subject (Svallfors 2006; Edlund 2007), the class schema used distinguishes six class positions: self-employed; service class I; service class II; routine non-manuals; skilled workers; unskilled workers.

Social Conflict

When it comes to the measurement of social tensions/antagonism/conflict between classes in society, we focus on the aggregate level of perceived conflict between those at the upper level of the class hierarchy and those at the lower level, following the same strategy as Kelley and Evans (1995; 1999). The following battery is used to measure people's perceptions of *social conflict*:

In all countries, there are differences or even conflicts between different social groups. In your opinion, in <country> how much conflict is there between...

- A. ... poor people and rich people?
- B. ... the working class and the middle class?
- C. ... management and workers?
- D. ... people at the top of society and people at the bottom?

Response scale: Very strong conflicts; Strong conflicts; Not very strong conflicts; There are no conflicts.

Each item concerns the relationship between groups located at different levels within the socio-economic hierarchy. Items B and C refer explicitly to class-based cleavages, whereas item A refers to class-based economic inequalities understood in a broader sense. Item D does not refer explicitly to class. Still, from an empirical point of view, item D is highly correlated with the other three items. We therefore find it reasonable to enter all four items in a composite additive index. In addition, using a composite measure better allows for the possibility that public discourse concerning class conflict might be framed somewhat differently in different national contexts. Cronbach's alpha for the additive index is acceptable for all countries, ranging from 0.70 (Netherlands 1999) to 0.88 (Spain 2009). For ease of comparison, the index is standardized to vary between 0 and 100, where a higher score represents stronger conflict.⁴

4 For Canada and Japan, a 3-item scale standardized to range 0-100 is used due to missing data.

Political Conflict

The following item is the selected indicator for the measurement of attitude towards state-organized income redistribution:

To what extent do you agree or disagree with the following statement? – It is the responsibility of the government to reduce differences in income between people with high incomes and those with low incomes.

Response scale: “Strongly agree” (coded as 100); “Agree” (75); “Neither agree nor disagree” (50); “Disagree” (25); “Strongly disagree” (0).

Very importantly, the degree of *political* conflict in any given country is determined by the level of *class differences* in attitudes towards income redistribution. If there are small (large) differences between classes in support for redistribution, then the level of political conflict is low (high). To clarify, this study aims to account for between-country variation in the level of *class differences* in preferences for redistribution. The aim is *not* to explain between-country variation in *aggregate* support for redistribution.

The estimate of political conflict is retrieved through 20 separate OLS regression models (gender and age included controlling for compositional differences in countries), one per country, where the magnitude of differences between classes in their support for redistribution indicates the level of political conflict in a country. The magnitude of class differences – political conflict – is determined by the standard deviation of the five dummy variable estimates for class, a strategy commonly employed in research (cf., Hout, Brooks and Manza 1995; Brooks and Svallfors 2010). The larger the standard deviation, the larger the overall difference between classes.

Contextual Indicators:

Size of the Welfare State, Material Inequality, and Economic Affluence

Our measure of the welfare state attempts to capture both the overall size and the redistributive capacity of the state, which is a function of the levels of taxation and social spending (Åberg 1989; Edlund 1999). Our strategy is to use data on the outputs/effects of the welfare state instead of using indicators of specific institutional design characteristics. One major advantage of using output data is that publicly provided social services are also included in the measurement. To our knowledge, there are no comparative data available on institutional design for this specific domain of the welfare state. Moreover, it should be emphasized that the indicators used are highly correlated with more direct measures of welfare policy design. The higher the prevalence of universal/encompassing social insurance programs, the higher the levels of taxation, social spending, and redistribution (Korpi and Palme 1998).

The size of the welfare state is measured by an additive index consisting of three indicators: (i) tax revenue as a percentage of GDP (OECD 2013); (ii) social spending as a percentage of GDP (OECD 2013); and (iii) the level of government redistribution (Wang and

Caminada 2011).⁵ Each indicator is standardized which means that all indicators get equal weight in the composite index. The inter-indicator correlations are high (i-ii, .87; i-iii, .82; ii-iii, .87), suggesting that they cover the same underlying construct. The level of *material inequality* is measured with the Gini coefficient (post-tax and transfer household income) (Wang and Caminada 2011). A higher score represents greater inequality. The scores on each of these measures are constructed from data covering the ten-year period preceding the year of the survey. Thus, data covering the years 1989-1998 (mean score) are used for the 1999 survey, while data stretching from 1999 to 2008 (mean score) are used for the 2009 survey.

These two measures are rather strongly correlated with each other, which underlines the fact that there is a strong relationship between welfare state institutions/outcomes and the level of economic inequality (Korpi and Palme 1998; Huber and Stephens 2001). The data suggest that the larger the welfare state, the lower the level of material inequality (Pearson's $r = -.78$).

In addition, the DCT suggests that economic affluence/development diminish the salience of class conflicts and other socio-economic cleavages (Inglehart 1990; 1997). We therefore include GDP per capita (OECD 2013) as a measure of economic affluence in the analysis. The correlations between GDP per capita and size of the welfare state and material inequality are, respectively: Pearson's $r = .05$ ($p = .840$) and Pearson's $r = -.34$ ($p = .142$). This means that there is no association between the size of the welfare state and economic affluence, and that there is a non-significant tendency that material inequality is lower in more affluent countries compared to less affluent countries.

In the forthcoming analysis, the relationships between the two dependent measures and contextual variables will be explored and presented in the form of plot diagrams. A measure of association will also be displayed: the Pearson's r coefficient. The unit of analysis is country ($n=20$).⁶

5 Wang and Caminada (2011) calculate the change in the Gini coefficient pre- and post-taxes and transfers, using data from the Luxembourg Income Study. Since data from New Zealand and Portugal are not in this dataset, data for these countries are taken from OECD (2013).

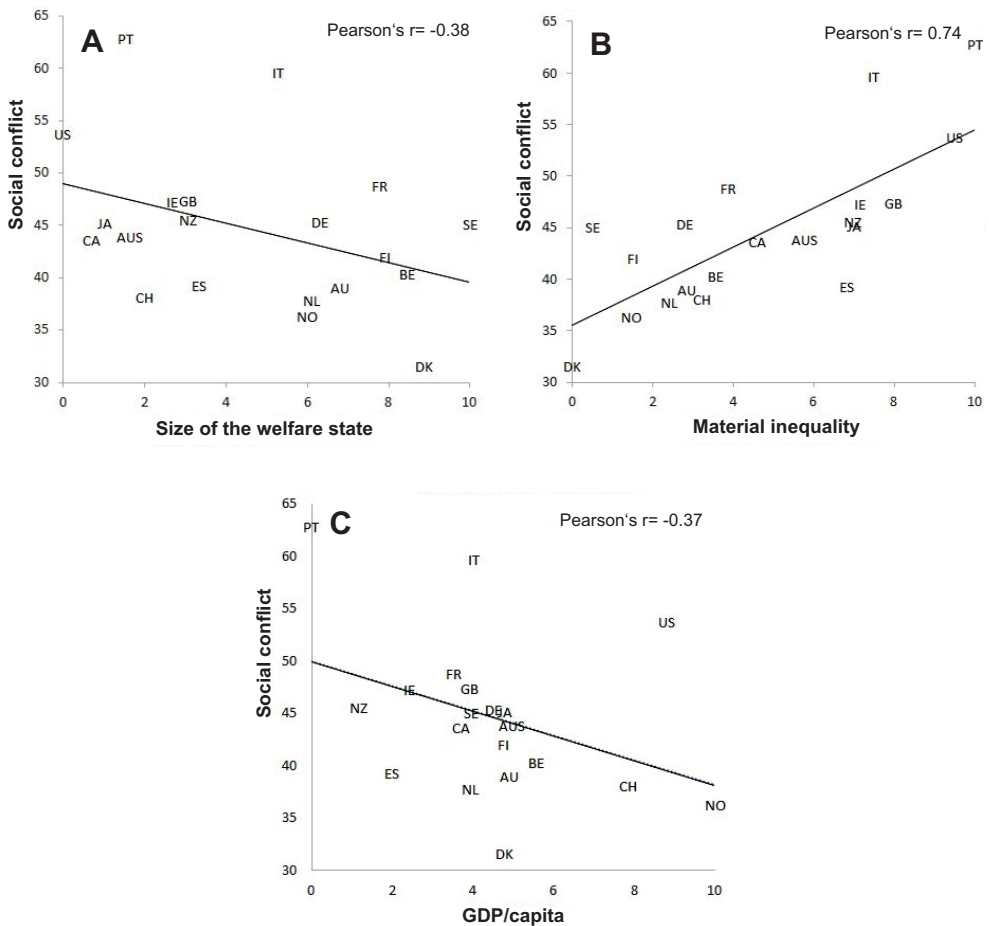
6 The unit of analysis in this chapter is country ($n=20$). In the article that this chapter builds upon (Edlund and Lindh 2015), we used country-year ($n=32$). It should be underlined that this change of design has a negligible effect on the results. In the article, we applied multilevel modelling where we were able to distinguish between-country variation as well as over-time variation. The latter variation turned out to be close to nil. In short, irrespective of whether the relationships between country level characteristics and our measures of conflict are estimated using multilevel modelling or simple correlation analysis at the country level (as we do in this chapter) the main results and conclusions are remarkably similar. Moreover, we believe that the type of graphical representations provided in this chapter should be seen as complementing the more advanced analysis employed in the article – mainly because each country's position in the diagrams is clearly displayed.

Empirical Results

The empirical analysis is performed in three steps. In the first step, the relationships between the aggregate level of *social* conflict and each of the macro-level factors are explored. The second step measures the associations between each of the macro-level factors and the size of *political* conflict. The third step analyzes the extent to which a potential country-level trade-off between the two types of class conflict is discernible in the data.

Step I: Exploring the relationships between country-level factors and social conflict

This step explores the extent to which the observed between-country variation in the aggregate level of social conflict is accounted for by the size of the welfare state, material inequality, and economic affluence, respectively.



Hypothesis H_{1a} predicts a negative association between the size of the welfare state and the level of social conflict. As shown in Diagram A, the hypothesis receives empirical support. The aggregate level of social conflict tend to be smaller in large welfare states. The relationship is statistically significant at the 10 per cent level ($p = .098$). Next, as understood by hypothesis H_{1b} , the central mechanism forging a link between the size of the welfare state and social conflict is the level of material inequality. The relationship between material inequality and the level of social conflict is shown in Diagram B. A strong positive relationship can be observed: social conflicts are more pronounced in countries with greater material inequality ($p < .001$). In other words, a substantial proportion of the observed between-country variation in the level of social conflict is explained by country differences in material inequality. In Diagram C, the importance of economic affluence (GDP per capita) is tested. Although the diagram shows a negative relationship, it is not statistically significant ($p = .110$). It is worth noting the position of USA in the diagram. While USA is among the wealthiest countries in the sample, it is among the top-scoring countries in perceived social conflict.

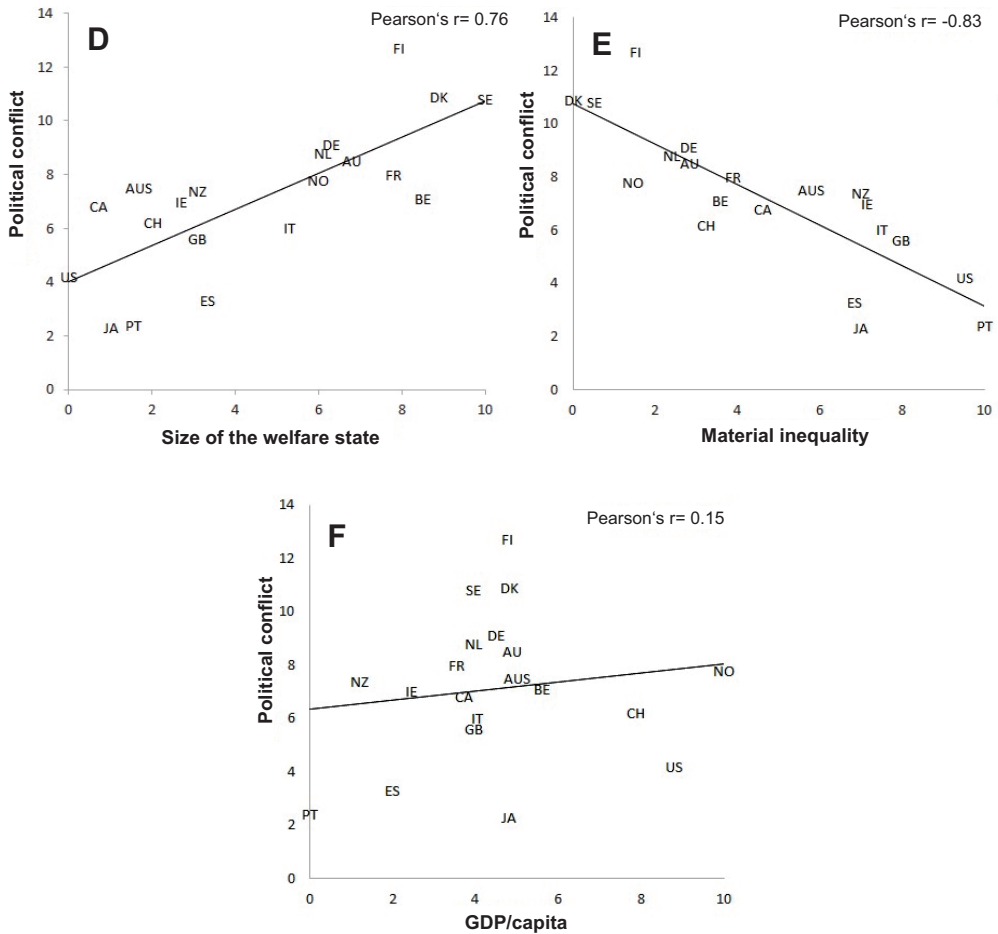
The empirical results in this section lend some support to our theoretical argument: the larger the welfare state (H_{1a}), and the lower the level of material inequality (H_{1b}), the less severe the social conflict.

Step II: Exploring the relationships between country-level factors and political conflict

As will be shown below, the level of political conflict, defined by the magnitude of *class differences* in support for state-organized redistribution, differs extensively across countries. The question now is to what extent can the observed cross-country variation in political conflict be accounted for by the macro-level factors?

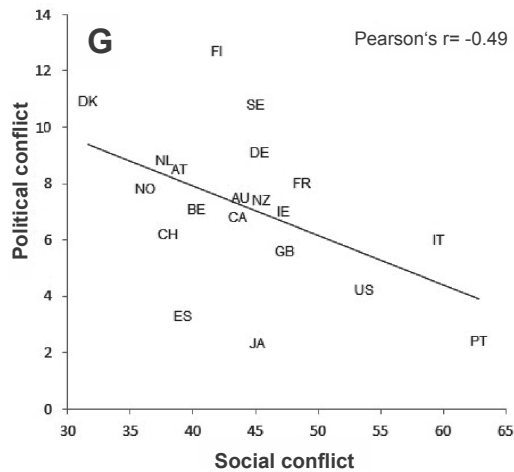
Diagram D shows that class differences in preferences for redistribution are significantly greater in large encompassing welfare states than in meager welfare states ($p < .001$). Diagram E, focusing on the role of material inequality, reports similar hypothesis-supportive findings: class differences are substantially weaker in highly unequal countries compared to countries with greater equality ($p < .001$). Diagram F indicates that economic development does not have any substantive influence on the level of political conflict ($p = .539$).

In line with hypotheses H_{2ab} , the results in Diagrams D and E indicate that the level of political conflict, measured as the magnitude of class differences in preferences for state-organized redistribution, is comparatively higher in countries where citizens are embedded in a context characterized by an encompassing and redistributive welfare system with a relatively low level of economic inequality. It should also be noted that the economic affluence thesis advocated by DCT proponents (Diagram F) does not receive convincing empirical support.



Step III: Exploring a potential country-level trade-off between social and political conflict

The next step of the analysis examines the relationship between social and political conflict at the country level. As stated in H_3 , a trade-off at the country level between the level of social conflict and the level of political conflict is anticipated. Interpreting Diagram G in terms of support/rejection of H_3 , the displayed association is clearly biased in favor of the hypothesis, suggesting a trade-off between social and political conflict. As shown, in countries where the level of perceived social conflict is higher, the level of political conflict is lower, and vice versa (Pearson's $r = -.49$; $p = .030$).



Conclusions

Are contemporary welfare states characterized by class conflict or has the class concept lost its significance for understanding social and political struggles in today's society? This chapter considers this issue from a new angle by studying class conflict from a "citizen perspective".

In our view, the results in this study make it difficult to defend the "death of class" thesis suggesting that the concept of class has become irrelevant in modern industrial democracies. Instead, the results are in line with *The Democratic Class Struggle* thesis, which suggests that the character of class conflict varies across national socio-economic contexts in tandem with between-country variation in the institutional setup of the welfare state.

Results show that in countries where the welfare state is meager and material inequality is extensive, citizens perceive that their society is characterized by social tensions and conflicts between classes to a greater extent than citizens living in countries with comparatively encompassing welfare states and lower levels of equality. When it comes to class-based conflicts in distributive processes within parliamentary politics, the opposite pattern can be observed. Hence, it is too simplistic to conclude that the welfare state has a uniform impact on class conflict *tout court*. Instead, the character of the welfare state matters for what *aspect* of class conflict – social or political – that dominates in a country.

Thus, while it is true that class is of limited importance in terms of our understanding of citizens' political orientations in residual welfare states, this does not mean that class relations are in harmony or non-existent in these countries. In these countries, citizens – whether they are located at the upper or lower level of the socio-economic ladder – comparatively more often view their own society as marked by tensions between classes.⁷ In other words,

⁷ The observation that class differences in perceptions of social conflict are in general quite small and, furthermore, do not vary significantly across countries, is described in more detail in Edlund and Lindh (2015).

the role of class as a vehicle for social tension and antagonism should not be underestimated. Correspondingly, while citizens in encompassing welfare states perceive limited social conflict, distributive struggles remain institutionalized within parliamentary politics, as different classes continue to express highly diverging preferences concerning redistribution.

Why are political conflicts more pronounced in encompassing welfare states? After all, material conditions tend to be relatively equally distributed across classes. From a power resources perspective, a key causal factor explaining these findings is the extent to which organized labor has been successful in transferring distributive struggles from the labor market into parliamentary politics, thereby converting these initially informal, particularistic, sometimes violent, non-institutionalized conflicts into democratic class struggles. As part of this institutionalization process, the institutional setup of the large redistributive encompassing welfare state – situated within a context of institutional translators organized along the class axis – preserves the concept of redistribution as a salient political issue and makes citizens orient themselves politically on the basis of class interests and identities. Correspondingly, while many citizens in meager welfare states – such as the USA – perceive society as marked by class-based social tension, they do not necessarily turn to the political system and asking for redistributive social policy reforms to negotiate and/or resolve class conflicts.

The power resources approach suggests that broad layers of the citizenry have good reasons to prefer that distributive struggles get settled within the domain of parliamentary democratic politics, and not be scattered to other spheres of society. Similarly, normative democratic theory suggests that parliamentary democratic politics constitute a constructive device for resolving societal conflicts in a legitimate and “peaceful” context. In this respect, it deserves to be underscored that our findings suggest that political cleavages do not have a negative impact on social cohesion. If anything, the results suggest that political deliberation is associated with a higher level of social cohesion. In this sense, this chapter offers some support for the claim that the encompassing welfare state can be understood as a manifestation of a successful large-scale societal compromise between partly conflicting interests rooted in the mode of capitalist production.

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